

**EXHIBIT F-4**

**Indiana Department of Revenue's Response to Objection to Claim [Dkt. no. 19554]**

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DELAWARE DISTRICT OF DELAWARE  
WILMINGTON DIVISION

IN RE:

CASE NO. 01-1139-JKF-11  
Docket No. 19378  
CHAPTER 11

W. R. GRACE & CO.,

Debtor(s).

**INDIANA DEPARTMENT OF REVENUE'S (IDR) RESPONSE TO OBJECTION TO CLAIM**

Comes now Creditor, Indiana Department of State Revenue (IDR), by counsel, and, for its Response to the Debtors' Twenty-Fifth Omnibus Objection to its Claim, states as follows:

1. Creditor has filed an amended proof of claim in the amount of \$443,130.64 including a priority claim of \$403,130.64, a secured claim of \$0.00 and \$40,348.43 as a general unsecured claim.
2. Creditor's claim is based, in part on actual returns for Debtors' corporate tax returns for the periods ending 12/31/1995, 9/28/1996, 12/31/1997 and retail sales tax returns for the periods ending 12/31/1995, 12/31/1996, 12/31/1997, and 12/31/1998 in which audits discovered liabilities due and owing, as more fully appears from a copy of the Audit Summary attached as Exhibit "A" and on a returned check liability for Debtors' withholding tax liability for the period ending 12/31/2000; creditor's claim is also based on estimated returns for Debtors' corporate tax liability for the period ending 12/31/1999 by virtue of the fact that Creditor has no record of said returns having been filed; however, the claim is valid because, Indiana Code § 6.8-1-10-3(a) provides that returns prepared by the Indiana Department of State Revenue based on the best information available are *prima facie* correct, and said taxes have not been paid.
3. IDR's claim is correct and should be paid as such, pursuant to 11 USC § 505.

WHEREFORE, Creditor, Indiana Department of State Revenue, prays that Debtors' objection to IDR's claim be overruled.

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Respectfully submitted,

STEVE CARTER  
Attorney General of Indiana  
Atty. No. 4150-64

By: /s/ Brian D. Salwowski  
Brian D. Salwowski  
Deputy Attorney General  
Atty. No. 2100-49

**CERTIFICATE OF SERVICE**

I do hereby certify that a copy of the foregoing pleading has been duly served upon all counsel of record listed below, by ECF notification or U. S. first class mail, postage prepaid, on September 17, 2008.

Laura Davis Jones  
Attorney for Debtor  
Pachulski, Stang, Ziehl Young & Jones  
919 N. Market Street  
16th Floor  
Wilmington, DE 19899-8705

/s/ Brian D. Salwowski  
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Deputy Attorney General  
Atty. No. 2100-49

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# AUDIT SUMMARY

Page 1 of 12 Pages  
Control No. : 263419-08

FORM AD-7

Tax Type : Sales & Use		Taxpayer : WR Grace & Co. - Conn.		EID Number : 13-5114230	
Type Audit : Field				TID Number : 00-1048660-000-7	
Bus. Code : 9999	Tax Form # : ST-103	Address : 5400 Broken Sound Blvd., NW, Suite 300		Incorporation Date : 6/20/1899	
County : OOS	City : Boca Raton	State : FL	Zip Code : 33487	Under Laws of : Connecticut	
Mailing Address : Same as above				Qualification Date : 5/13/54	

Period or Year Ending	Statute Date	Deficiency (Over-Assessment)	Base Tax Previously Billed	Additional Tax to be Billed	Penalty	Interest	Totals
12/31/95	6/30/03	21,927.80			2,192.78	11,822.90	\$ 35,943.57
12/31/96	6/30/03	11,100.97			1,110.10	5,208.33	\$ 17,419.40
12/31/97	6/30/03	9,766.79			976.68	3,900.56	\$ 14,644.03
12/31/98	6/30/03	1,425.24			142.52	469.43	\$ 2,037.19
Totals	N/A	44,220.80	0.00				\$ 70,044.19

This Audit Was Discussed With :  
James Munsche - Tax Consultant

Auditor's Signature and Number: Lisa Lafferty #0675 *Lisa Lafferty* #0675 Date of Completion : March 19, 2003

Remarks :

RECEIVED  
SEP 15 2008  
OAG-COLL

*Copy*

Power of Attorney : None



## AUDIT SUMMARY

Page 1 of 48 Pages

Control No. : 263418-10

FORM AD-7

Tax Type : <b>INCOME</b>		Taxpayer : <b>W.R. GRACE &amp; CO.-CONN.&amp; SUBSIDIARIES</b>		FID Number : 13-5114230-00-05	
Type Audit : <b>FIELD</b>				TID Number : 00-1048660-001-5	
Bus. Code : 2815	Tax Form # : IT-20	Address : 5400 BROKEN SOUND BOULEVARD,N.W.		Incorporation Date : 06/20/1899	
County : OUT-OF-STATE	City : BOCA RATON	State : FLORIDA	Zip Code : 33487	Under Laws of : CONNECTICUT	
Mailing Address : Same as above				Qualification Date : N/A	

Period or Year Ending	Statute Date	Deficiency (Over-Assessment)	Base Tax Previously Billed	Additional Tax to be Billed	Penalty /	Interest	Totals
12/31/93	06/30/02	(131,746.00)					
12/31/94	06/30/02	(66,524.27)					
12/31/95	06/30/02	3,017.61					
09/28/96	06/30/02	459.80					
12/31/96	06/30/02	0.00					
12/31/97	06/30/02	8,962.04					
<b>Totals</b>	N/A	(185,830.82)	0.00				

**This Audit Was Discussed With :**

**JAMES MUNSCHÉ - TAX ACCOUNTANT**

Auditor's Signature and Number:

William D. Dick #0044

Date of Completion :

March 1, 2002

Remarks :

CP

**Power of Attorney :**

Firm - NONE